

Testimony  
Senate Committee on Labor, Elections and Urban Affairs

Senate Bill 194  
Insulation & Fire Stop Licensing  
August 28, 2007

Jeffrey J. Beiriger, CAE  
Plumbing Heating Cooling Contractors Association of Wisconsin

Good morning. My name is Jeffrey J. Beiriger and I serve as Executive Director of the Plumbing Heating Cooling Contractors Association of Wisconsin (PHCC-WI). I am testifying today in opposition to SB 194.

Let me start by saying that PHCC-WI supports the licensing of construction trades and other professions where the public's health and safety is at risk. Our opposition to SB 194 is, therefore, not philosophical, but specific to language in the bill.

First, we are concerned with the language regarding contractor exceptions to licensing. On page 9, beginning on line 7, the bill says, "Except as provided in sub. (9) (b)... no person may contract to install or maintain thermal system insulation or fire-stop products in any building unless that person is a contractor licensed by the department under this subsection."

The exception in sub. (9) (b) is found beginning on page 10, line 24. The two exceptions appear to relate to the licensing of installers and not to contractors. In fact, the only exception that appears to apply to contractors is found in sub. (9) (a) where a contractor may be licensed in another state.

While “contractor” may be defined in the bill, the idea that, “...no person may contract...” suggests that a plumbing contractor could no longer contract with an end-user for services that they have historically contracted for – work that is often subcontracted to an insulation contractor but work that is also frequently self-performed.

With regard to licensing exceptions for mechanics installing fire-stop products, we ask for clarification regarding the retroactive nature of the apprenticeship exception in sub. (9) (b) (2) found on page 11, beginning on line 4. It must be clear that this language would provide an exception to any mechanic who has, at any time, completed an apprenticeship program that included the requisite training in fire-stop products.

In the absence of this clarification, only those currently enrolled in an apprenticeship program would meet this requirement. All others, the vast majority of our workforce, would need to attend 40 hours of approved training. We feel that this is excessive.

For someone without apprenticeship training, the 40 hour requirement may be more appropriate, but for someone with apprenticeship training (and assuming the apprenticeship exception is not applied retroactively), we would ask for far less training.

In this section of the bill, it may also be useful to specifically call out which apprenticeship programs should be evaluated for inclusion of relevant training – steamfitting, HVAC, sheet metal, refrigeration, plumbing, etc. Familiarity with both the fire-stop product and the trades in which they are used is useful. And to that end, it may also be useful to include a contactor from the affected industries on the Insulation and Fire-Stop Council.

Finally, we note that the bill does not provide for any licensing exceptions for the installation of thermal insulation. Plumbing contactors do not want to be in the business of installing thermal insulation, electrical work, carpentry or any number of other trades. They want to provide plumbing services for their customers. There have always been and will always be instances where it is necessary, in order to serve that customer, for us to provide these services as incidental to the project. It just doesn't make sense to stop the project in order to bring in another contractor/mechanic when the work can be performed by the contractor/mechanic already on the site.

While we don't hold ourselves out as having the same degree of skill or ability as those who provide that same service as their principal business, neither do we profess to lacking the skills necessary to do this work from time to time. Many of the mechanics have done this work for years and many of our contractors have accepted the risk – both from the perspective of labor productivity and business liability - that comes with self-performing this work.

We appreciate the opportunity to testify today. If you have any questions, I will be happy to answer them.

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**Wisconsin Chapter**

**Senate Bill 194  
Licensing of Heat and Frost Insulators  
Senate Committee on Labor, Elections and Urban Affairs  
Chairman: Senator Coggs  
August 28, 2007**

Construction in Wisconsin is a highly regulated activity. Proponents of SB 194 cite safety concerns related to mold and structural damage as the primary motivation for offering this proposal. While we applaud the supporters of this bill for their commitment to safety we would like to point out that the most probable source of moisture (and therefore mold and structural) problems on construction sites result from non-code compliant plumbing, fire-sprinkling ( trades that are already licensed and inspected) and the improper balancing of HVAC systems.

While inappropriate insulation can exacerbate moisture problems caused by faulty plumbing and HVAC installations, there absence or existence is typically independent of the "quality of the insulation work" done on the project.

Likewise, we are unaware of any "consumer demand" for the regulation of heat and frost insulators. Are the incidents of improper heat and frost installation more frequent, severe, or serious than any other service offered in the marketplace?

In short, we do not feel these isolated instances (which are only tangentially related to the insulation work) call for a legislative remedy.

At the same time unnecessary regulation will result in increased expenses for consumers and contractors and will create a barrier for heat and frost contractors and those wishing to enter the trade.

Wisconsin Department of Administration  
Division of Executive Budget and Finance

## Fiscal Estimate - 2007 Session

☐ Original
 ☒ Updated
 ☐ Corrected
 ☐ Supplemental

<b>LRB Number</b> <b>07-2046/1</b>	<b>Introduction Number</b> <b>SB-194</b>
<b>Description</b> The licensing and regulation of thermal system insulation and fire-stop product mechanics and contractors; creating a thermal system insulation and fire-stop council; requiring the employment of a state inspector; establishing standards for installing, removing, and maintaining thermal system insulation and fire-stop products; requiring the exercise of rule-making authority; and providing a penalty	
<b>Fiscal Effect</b>  <b>State:</b> <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No State Fiscal Effect  <input type="checkbox"/> Indeterminate  <input checked="" type="checkbox"/> Increase Existing Appropriations  <input type="checkbox"/> Decrease Existing Appropriations  <input type="checkbox"/> Create New Appropriations         </div> <div style="width: 33%;"> <input checked="" type="checkbox"/> Increase Existing Revenues  <input type="checkbox"/> Decrease Existing Revenues         </div> <div style="width: 33%;"> <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget  <input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No  <input type="checkbox"/> Decrease Costs         </div> </div>	
<b>Local:</b> <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> No Local Government Costs  <input type="checkbox"/> Indeterminate          1. <input type="checkbox"/> Increase Costs             <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory          2. <input type="checkbox"/> Decrease Costs             <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory       </div> <div style="width: 33%;">         3. <input type="checkbox"/> Increase Revenue             <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory          4. <input type="checkbox"/> Decrease Revenue             <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory       </div> <div style="width: 33%;"> <b>5. Types of Local Government Units Affected</b>  <div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> Towns  <input type="checkbox"/> Counties  <input type="checkbox"/> School Districts         </div> <div style="width: 33%;"> <input type="checkbox"/> Village  <input type="checkbox"/> Others  <input type="checkbox"/> WTCS Districts         </div> <div style="width: 33%;"> <input type="checkbox"/> Cities         </div> </div> </div> </div>	
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS   s. 20.143 (3) (j), Stats.	
<b>Agency/Prepared By</b> COMM/ Louie Cornelius (608) 266-8629	<b>Authorized Signature</b> <div style="text-align: center; height: 40px;"> </div>
<b>Date</b> 8/28/2007	

## Fiscal Estimate Narratives

COMM 8/28/2007

LRB Number	07-2046/1	Introduction Number	SB-194	Estimate Type	Updated
<b>Description</b> The licensing and regulation of thermal system insulation and fire-stop product mechanics and contractors; creating a thermal system insulation and fire-stop council; requiring the employment of a state inspector; establishing standards for installing, removing, and maintaining thermal system insulation and fire-stop products; requiring the exercise of rule-making authority; and providing a penalty					

## Assumptions Used in Arriving at Fiscal Estimate

2007 SB 194, as amended by Senate Substitute Amendment 1, contains provisions related to thermal system insulation and fire-stop products. Specifically, the legislation does the following:

1. requires the licensure of contractors and mechanics who install, remove, and maintain such materials;
2. establishes a thermal system insulation and fire-stop council;
3. provides 1.0 FTE GPR position for a state thermal insulation inspector;
4. requires the promulgation of rules regarding licensure and standards for the installation/removal/maintenance of thermal system insulation and fire-stop products in buildings.

The Department estimates that the licensing requirements would result in 1,000 mechanics licenses and 50 contractor licenses, resulting in a workload of 123 hours, which can be absorbed within current resources.

2007 SB 194 specifies minimum fees for the contractor and mechanic licenses (\$250). Using this amount, the Department estimates \$131,250 in annualized revenue.

The Department also estimates that .2 FTE (or 300 hours) and \$26,500 in associated one-time costs would be needed for staff time to accomplish administrative rule promulgation.

2007 SB 194 provides for 1.0 FTE position. This position would serve as a state-wide inspector for thermal system insulation and fire-stop products installations. The Department estimates \$78,100 in annual costs associated with this position.

## Long-Range Fiscal Implications

Wisconsin Department of Administration  
Division of Executive Budget and Finance

## Fiscal Estimate Worksheet - 2007 Session

Detailed Estimate of Annual Fiscal Effect

☐ Original
 ☒ Updated
 ☐ Corrected
 ☐ Supplemental

<b>LRB Number</b> 07-2046/1	<b>Introduction Number</b> SB-194	
<b>Description</b> The licensing and regulation of thermal system insulation and fire-stop product mechanics and contractors; creating a thermal system insulation and fire-stop council; requiring the employment of a state inspector; establishing standards for installing, removing, and maintaining thermal system insulation and fire-stop products; requiring the exercise of rule-making authority; and providing a penalty		
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  \$26,500 for costs associated with rule promulgation.		
<b>II. Annualized Costs:</b>	<b>Annualized Fiscal Impact on funds from:</b>	
	Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>		
State Operations - Salaries and Fringes	\$59,400	\$0
(FTE Position Changes)	(1.0 FTE)	(0.0 FTE)
State Operations - Other Costs	18,700	0
Local Assistance	0	0
Aids to Individuals or Organizations	0	0
<b>TOTAL State Costs by Category</b>	<b>\$78,100</b>	<b>\$0</b>
<b>B. State Costs by Source of Funds</b>		
GPR		
FED		
PRO/PRS (PRO)	78,100	
SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.):</b>		
	Increased Rev	Decreased Rev
GPR Taxes	\$0	\$0
GPR Earned	0	0
FED	0	0
PRO/PRS	131,250	0
SEG/SEG-S	0	0
<b>TOTAL State Revenues</b>	<b>\$131,250</b>	<b>\$0</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>		
	State	Local
NET CHANGE IN COSTS	\$78,100	\$0
NET CHANGE IN REVENUE	\$131,250	\$0
<b>Agency/Prepared By</b> _____ <b>Authorized Signature</b> _____ <b>Date</b> _____		



Comments of Bruce Coleman, Heat & Frost Insulators Local 19  
Concerning SB 194  
Before the  
Senate Labor, Elections and Urban Affairs Committee  
August 28, 2007

I am Bruce Coleman, and I am a member of Heat and Frost Insulators Local #19. Heat and Frost Insulators Local #19 represents the southern half of our state and has approximately 300 members. At the present time, all of our apprentices serve a state approved four-year apprenticeship.

I want to take this opportunity to thank Senator Coggs and Representative Newcomer for their support and leadership with this bill. I would also like to thank Senators Lasee, Lehman, and Wirch for their co-sponsorship of this legislation.

The Thermal Insulation and Firestop Act legislation is a preventative measure of great importance to the citizens of Wisconsin. It will help to protect their health and safety by establishing a training standard for the craftsmen that install thermal insulation and firestop material in and around mechanical systems in buildings throughout our state.

In the fall of 2004 I began my work on mold issues related to my trade after I read an article in the Daily Reporter, about the licensing of mold remediators. At that time, Representative Berceau had drafted a bill to license mold remediators, and I called Representative Berceau and we discussed ways to prevent mold from growing in our buildings here in Wisconsin. In February of 2005, representative Berceau hosted a Mold Roundtable Discussion, here at the capitol. There were approximately 40 to 50

professionals from the construction industry and construction groups, industrial and building science, and health agencies, and what became very clear that day was a strong desire to do what we could to eliminate the chance that mold might grow, and to work together to achieve that end.

Because the methods and materials used today in the building trades have changed dramatically from 30 or 40 or 50 years ago, we now have mechanical systems that can both heat and cool a building. We now have central air-conditioning with controls that allow us to command cool air where and when we want it. This is accomplished through the inclusion of water or some other liquid into the HVAC system. Because there is a liquid in the system, there is the risk of condensation forming on the pipes or support structures.

All mechanical systems, whether it is plumbing, heating or air-conditioning, can produce condensation. No different than a can of cold soda on a warm day... improperly insulated pipes and valves will sweat. Because the majority of the pipes used in mechanical systems are concealed, (hidden in the walls or above the ceilings), mold problems develop long before they become apparent. When mold actually becomes noticeable, many mold spores have already been drawn into the ductwork to be distributed throughout the building, for the building's occupants to inhale.

So what do professionally trained Heat and Frost Insulators do to protect people from these risks? Please let me explain:

Because Heat & Frost Insulators are required to insulate a variety of heating, cooling and refrigeration systems, a comprehensive four-year apprenticeship training in our trade is essential. Presently there are many different types of materials, and the type of system will determine what type of insulation is used. Most pipe insulation comes from the manufacturer, preformed, and with a vapor barrier

jacket applied to the insulation; insulation comes in sheets, rolls, and sectional lengths, and also is finish covered with a variety of metal and PVC jacketing systems, for protection from the weather. All insulation is cut to fit, secured and sealed. Critical systems include chilled water systems, refrigeration systems, and all systems used in nuclear energy generating plants. What properly installed mechanical insulation does is, saves energy dollars for the consumer, creates an envelope around the systems with the material that is applied, and uses the theory of 'still air' to insulate the system from the ambient conditions that surround the systems and the insulation. The mechanical insulation is a continuous system that follows the pipes through a building wherever they go. Through walls, floors and any structural material, properly applied insulation system should not have breaks in it, and this is how the the continuous insulation seal prevents the risks that moisture might develop. This is also the reason that the installers of the insulation systems be properly trained. All of us in the Heat & Frost insulation trade respect the fact that the plumbers are licensed by trade, as people's health and safety depend upon the fact that all plumbing systems are installed properly and according to code. Because the insulation work on the 'critical sub-ambient temperature systems' when properly installed have the effect of eliminating condensation, we believe our trade needs to be licensed also, for the health and safety of the citizens of the state of Wisconsin.

The National Insulation Association has stated on public record that, "the single most effective means of managing condensation in the building envelope that stems from mechanical systems is properly installed mechanical insulation".

Right now in Wisconsin there is nothing in place to protect Wisconsin's citizens in this area. The Thermal Insulation and Firestop Act would create and establish the training requirements

for Heat and Frost Insulation and Firestop work in Wisconsin which would result in a safety standard for all our citizens.

Scientists and Industrial Hygienists have stated on the record that the only thing that mold needs to grow is moisture. Industrial Hygienists have stated as an association that we will 'most likely' never see a 'pel' (permissible exposure limit) for mold spores, like we did with asbestos fibers.

Mold spores can lay dormant in a person's lungs for up to 25 years, with little or no health trouble appearing, until a malignant tumor or other life threatening disease like blastomycosis develops. Therefore, it will take until 2032 to begin to see the health problems related to exposure to mold spores and fungal growth resulting from improperly or poorly insulated mechanical systems being installed today.

I have been a construction professional since 1975 and I understand the mindset that can develop that allows us to do what we do without question. I have personally witnessed too many of my close friends suffer a painful death as a result of exposure to asbestos that they installed during a time in this country when the use of asbestos was taken for granted. During my apprenticeship, from 1978 to 1982, my local Union buried 7 very fine men that had applied asbestos for more than 25 years of their careers; all the while not being told of the dangers inherent in asbestos. Similarly, there was a time in this country when we believed it was acceptable to drink water from pipes made from lead.

I feel fortunate to live in a state where we have recognized that the state has an important role in helping to protect its citizens' safety and health. This state passed its plumbing code and plumbing licensing regulations in 1914 because of that commitment to public health and safety.

In keeping with that legacy, we have a terrific opportunity to further protect Wisconsin citizens' health and safety by enacting this legislation. Therefore, I ask for your support of SB 194. Thank you for your attention. I would be happy to answer any questions.

Bruce A. Coleman  
414-507-6774